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SAPC-23627

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21 January 1958

MEMORANDUM FOR THE RECORD

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SUBJECT : Concurrence in Definitive Contract No. TE-2191 with Edgerton, Germeshausen and Grier, Inc., Las Vegas, Nevada, [redacted] Project AQUATONE (RAINBOW).

1. This memorandum contains a recommendation submitted for approval of the Director of Central Intelligence. Such recommendation is set forth in Paragraph 6.

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2. This definitive contract CPFF type is the one contemplated in our Letter Contract which was effective 1 May 1957. This contract covers studies in the field of [redacted] This company had been working on this program under a subcontract issued by MIT under our Contract No. TM-500. The Company discontinued charging MIT for the work performed as of 1 May 1957.

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3. An additional amount of \$168,000.00 has been included in the definitive contract as estimated costs. [redacted]
[redacted]

will visit the Contractor on approximately 29 January 1958 for purposes of negotiating the fee and discussion of other contractual matters. It is proposed to tentatively obligate \$184,800 of FY 1958 AQUATONE (RAINBOW) funds subject to decrease if negotiations result in a lesser amount for the fee which it is contemplated will be the case. By concurrence to this memorandum the Project Comptroller signifies that sufficient funds are available for this additional obligation.

4. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956, which in effect results in all 10(b) expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 10(b) of Public Law 110, 81st Congress, for each contract.

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25X1 5. It is proposed that the definitive contract be signed by the Project Contracting Officer with the amount for fee and the provisional billing rates left blank with the understanding that these provisions will be inserted after negotiations by [] and then presented to the Company for acceptance.

6. Approval of Definitive Contract No. TE-2191 and execution thereof on behalf of the Agency by the authorized Project Contracting Officer as proposed in Paragraph 5 above is recommended.

RICHARD M. BISSELL, JR.
Project Director

CONCURRENCES:

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Project Director of D and P

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General Counsel

Approval requested in
Paragraph 6, granted.

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25X1 Distribution.

Orig. - [] TE-2191
2. - Proj. Finance
3. - Proj. Chrono (RI)

R. M. Bissell
Director of Central Intelligence

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